(c) whether the Oil Marketing companies are better placed financially on account of this deep fall in the crude prices;

(d) whether Government proposes to revise the prices to a lower level due to this situation;

(e) if so, by when it is likely to be implemented; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir. The month-wise average price of Indian Basket of Crude Oil during the last fourth months is given below:

	($ per barrel)
August '08	113.05
September '08	96.81
October '08	69.12
November '08	50.91

Note: The composition of Indian Basket of crude represents average of Oman and Dubai for Sour Grades and Brent (Dated) for Sweet Grade in the ratio of 62.3:37.7

However, the average price of Indian Basket of crude oil during the year 2008-09 (April to 10th December, 2008) is still high at $ 100.34 per barrel.

(b) The benefit of softening of the international oil prices has been partly offset by the recent depreciation of the Rupee, which depreciated by around 24%, from Rs. 40 per US$ in April 2008 to the current level of Rs. 49.76 per US$. Even so, the impact of the fall in international oil prices is evident from the fact that while the country paid Rs.48,140 crore for purchasing 11,934 Thousand Metric Tonne (TMT) of crude oil during July, 2008, it spent Rs. 29,225 crore for import of 11,365 TMT of crude oil during October, 2008.

(c) The Public Sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation Limited (IOC), Bharat Petroleum Corporation Limited (BPC) and Hindustan Petroleum Corporation Limited (HPC) have declared combined losses of Rs. 14,431 crore during the first six months of 2008-09 and their total under-recoveries on the sale of sensitive petroleum products even at the current prices, are projected to be Rs. 1,10,381 crore during 2008-09. Their combined borrowings at the end of November 2008 stood at Rs. 1,15,000 crore with an interest burden of Rs. 8,100 crore during 2008-09.

(d) to (f) In view of the recent fall in the international oil prices, the Government has reduced prices of Petrol and Diesel by Rs. 5/- per litre and Rs. 2/- per litre respectively with effect from 6.12.2008.

Demand of gas by RNRL

1665. SHRI DHARAM PAL SABHARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Reliance Natural Resources Ltd., (RNRL) is demanding gas at much lower price against the Government approved price or prevalent international price of gas;

(b) if so, the reasons therefor and the details of demanding gas at abysmally low price by RNRL *vis-a-vis* Government approved or international price;

(c) whether RNRL is also demanding reservation of gas for future plants for which no schedule is available; and

(d) if so, the steps Government proposes to take to fix the price of gas based on international price ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The Production Sharing Contract (PSC) for the block KG-DWN 98/3 has been signed between Government of India Reliance Industries Ltd. (RIL) and NIKO Resources Ltd. RNRL is not a party to the PSC. There is an ongoing litigation between RIL & RNRL in the Bombay High Court on supply of gas from this KG-DWN-98/3 block in terms of MOU/ demerger scheme approved by the court between the two companies. The matter is presently *sub-judice.*

Shortage of petro-products in Tamil Nadu

1666. SHRI A. ELAVARASAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is aware that there is an artificial shortage of petrol products in Tamil Nadu;

(b) if so, the actions being taken by Government in this regard;

(c) whether Government is also aware that ordinary petrol is being sold with higher prices against fixed one in the name of premium quality;

(d) if so, the steps taken by Government in this regard;

(e) whether there is any monitoring mechanism to check the quality of petrol in retail outlet especially in remote areas and on highways; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) There is no shortage of petrol and diesel in the country. Government had received some complaints/reports about the non-availability of petrol and diesel in some States in the period from July to October, 2008. Oil Marketing Companies (OMCs) reported that sporadic incidence of non-availability was due to a surge in demand for diesel for power generation in these States. However, the demand of all sectors including Agriculture and transport sector is fully met.

OMCs have been directed to take urgent steps to ensure adequate supply and availability of Diesel and Petrol at the Retail Outlets (ROs) across the country. OMCs have also been directed to take all necessary steps to build sufficient stocks of petroleum products at different locations in the country to take care of any unforeseen contingency including any temporary disruption in the movement of petroleum products.

OMCs have reported that they ensure the availability of petrol and diesel in the country at all times and are supplying petrol and diesel to the ROs as per indents. OMCs have also reported that they have not restricted/curtailed supply of petrol and diesel to their ROs any where in the country.